

COUNTY OF MARIN
SINGLE AUDIT REPORT
JUNE 30, 2011

COUNTY OF MARIN

Single Audit Report
For the Year Ended June 30, 2011

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Supervisors
County of Marin
San Rafael, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Marin (County), as of and for the year ended June 30, 2011, which collectively comprise the County’s basic financial statements and have issued our report thereon dated January 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of the Marin County Redevelopment Agency, the Housing Authority of the County of Marin, and the Marin County Transit District, which represent the following percentages of assets and revenues/additions as of and for the fiscal year ended June 30, 2011:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Governmental Activities	.75%	.11%
Business-Type Activities	81.11%	89.18%

Those financial statements were audited by other auditors whose report thereon has been furnished to us. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

Board of Supervisors
County of Marin
San Rafael, California

Internal Control Over Financial Reporting (continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gallina LLP

Roseville, California
January 30, 2012



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL
CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors
County of Marin
San Rafael, California

Compliance

We have audited the compliance of the County of Marin (County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2011. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County’s management. Our responsibility is to express an opinion on the County’s compliance based on our audit.

The County’s basic financial statements include the operations of the following entities, which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2011:

Entity	Federal Expenditures
Housing Authority of the County of Marin	\$34,395,429
Marin County Transit District	902,606

Our audit, described below, did not include the operations of those entities as those entities were audited separately by other auditors in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

Board of Supervisors
County of Marin
San Rafael, California

Compliance (continued)

An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 11-SA-1.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 11-SA-1 to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

Board of Supervisors
County of Marin
San Rafael, California

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2011, and have issued our report thereon dated January 30, 2012. We did not audit the financial statements of the Marin County Redevelopment Agency, the Housing Authority of the County of Marin, and the Marin County Transit District. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included in the Marin County Redevelopment Agency, the Housing Authority of the County of Marin, and the Marin County Transit District is based on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response, and, accordingly, we express no opinion on it.

The Supplementary Schedules of Grant Expenditures have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gallina LLP

Roseville, California
March 2, 2012, except for the Schedule
of Expenditures of Federal Awards as to
which the date is January 30, 2012

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care			
Light Brown Apple Moth Program	10.025	10-0739	\$ 7,946
European Grapevine Moth	10.025	10-0484	7,396
Glassy-winged Sharpshooter	10.025	10-0335	77,125
Subtotal CFDA Number 10.025			<u>92,467</u>
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	2,340,600
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - FSET	10.561	--	125,664
Subtotal CFDA Number 10.561			<u>2,466,264</u>
Passed through State Department of Health Care Services:			
California Nutrition Network	10.550	--	534,877
Subtotal Pass-Through			<u>534,877</u>
Special Supplemental Nutrition Program for Women, Infants, and Children - Administrative	10.557	--	1,334,081
ARRA - Special Supplemental Nutrition Program for Women, Infants, and Children - Administrative	10.557	--	7,639
Subtotal CFDA Number 10.557			<u>1,341,720</u>
Passed through California Department of Aging:			
Senior Farmers Market	10.576	--	10,000
Subtotal Pass-Through			<u>10,000</u>
Total U.S. Department of Agriculture			<u>\$ 4,445,328</u>
<u>U.S. Department of Commerce</u>			
Direct Programs through the National Oceanic and Atmospheric Administration:			
Arroyo Creek Fish Passage	11.463	NA09NMF4630358	116,120
Total U.S. Department of Commerce			<u>\$ 116,120</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-05-UC-06-0004	\$ 42,489
Community Development Block Grants/Entitlement Grants	14.218	B-06-UC-06-0004	55,945
Community Development Block Grants/Entitlement Grants	14.218	B-07-UC-06-0004	119,209
Community Development Block Grants/Entitlement Grants	14.218	B-08-UC-06-0004	135,634
Community Development Block Grants/Entitlement Grants	14.218	B-09-UC-06-0004	337,317
Community Development Block Grants/Entitlement Grants	14.218	B-10-UC-06-0004	1,033,238
Community Development Block Grant ARRA Entitlement Grants (CDBG-R) - (Recovery Act Funded)	14.253	B-09-UY-06-0004	245,400
Community Development Block Grants/Entitlement Grants - Outstanding Loan Balance	14.218	--	<u>3,504,506</u>
Subtotal CFDA Number 14.218 Direct			<u>5,473,738</u>
HOME Investment Partnerships Program	14.239	M-02-UC-06-0209	500
HOME Investment Partnerships Program	14.239	M-07-UC-06-0206	47,569
HOME Investment Partnerships Program	14.239	M-08-UC-06-0207	237,668
HOME Investment Partnerships Program	14.239	M-09-UC-06-0210	467,060
HOME Investment Partnerships Program	14.239	M-10-UC-06-0211	250,000
HOME Investment Partnerships Program	14.239	M-94-UC-06-0208	125
HOME Investment Partnerships Program	14.239	M-95-UC-06-0209	4,407
HOME Investment Partnerships Program	14.239	M-96-UC-06-0210	17,032
HOME Investment Partnerships Program	14.239	M-97-UC-06-0211	1,000
HOME Investment Partnerships Program - Outstanding Loan Balance	14.239	--	<u>8,771,167</u>
Subtotal CFDA Number 14.239 Direct			<u>9,796,528</u>
Subtotal Direct			<u>15,270,266</u>
Passed through San Francisco Redevelopment Agency:			
AIDS Program			
Housing Opportunities For Persons With AIDS (HOPWA)	14.241	2009-10	1,850
Housing Opportunities For Persons With AIDS (HOPWA)	14.241	2010-11	327,935
Housing Opportunities For Persons With AIDS (HOPWA) - Outstanding Loan Balance	14.241	--	<u>470,000</u>
Subtotal CFDA Number 14.241			<u>799,785</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 16,070,051</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Interior</u>			
Passed through National Park Service:			
West Marin Emergency Services	15.000	--	\$ 90,915
Assistance by Hire-Bull Fire	15.000	--	<u>2,917</u>
Total U.S. Department of Interior			<u>\$ 93,832</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Violence Against Women Act	16.588	03-06-0167-13	119,423
Violence Against Women Protection Orders Grant	16.590	--	154,149
State Criminal Alien Assistance Programs (SCAAP)	16.606	--	637,626
Support and Treatment After Release (STAR)	16.745	--	<u>96,954</u>
Subtotal Direct			<u>1,008,152</u>
Passed through California Department of Corrections and Rehabilitation:			
Juvenile Accountability Incentive Block Grant	16.523	CSA 129-10	17,940
Juvenile Accountability Incentive Block Grant-AMYVPT	16.523	CSA 129-09AMYVPT	<u>1,442</u>
Subtotal CFDA Number 16.523			<u>19,382</u>
Enhanced DMC - Technical Assistance Program II	16.540	CSA 359-09	<u>83,444</u>
Subtotal Pass-Through			<u>83,444</u>
Coordination of Probation Enforcement	16.738	--	<u>173,818</u>
Subtotal Pass-Through			<u>173,818</u>
Passed through California Emergency Management Agency:			
Child Abuse Treatment Program	16.575	AT 09060210	46,197
Child Abuse Treatment Program	16.575	AT 10070210	96,555
Underserved Victim Advocacy	16.575	UV 10010210	31,860
Victim Witness Assistance Program	16.575	VW 10290210	<u>82,605</u>
Subtotal CFDA Number 16.575			<u>257,217</u>
VW Assistance Program VAWA Augumentation	16.588	VW 10290210	92,239
ARRA - Vertical Prosecution Recovery Act Program	16.588	VP 09010210	<u>45,085</u>
			<u>137,324</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Justice (continued)</u>			
Passed through California Emergency Management Agency (continued):			
ARRA - Evidence-Based Probation Supervision Recovery Act Program	16.804	ZP090010210	\$ 94,424
ARRA - Department of Homeland Security (ZA)	16.804	--	170,842
ARRA - Department of Homeland Security (ZM)	16.804	--	23,913
Subtotal CFDA Number 16.804			<u>289,179</u>
Total U.S. Department of Justice			<u>\$ 1,968,516</u>
<u>U.S. Department of Labor</u>			
Passed through California Department of Aging:			
Title V - Senior Community Service Employment Program	17.235	TV0708-05	112,043
Subtotal Pass-Through			<u>112,043</u>
Passed through State Employment and Training Administration:			
WIA - Title I Adult Formula	17.258	--	357,724
WIA - Title I Youth Formula	17.259	--	250,060
ARRA - WIA - Title I Youth Formula	17.259	--	52,356
WIA - Title I Dislocated Workers	17.260	--	448,743
ARRA - WIA - Title I Dislocated Workers	17.260	--	218,382
WIA - Rapid Response	17.260	--	78,905
ARRA - WIA - Rapid Response	17.260	--	243,770
Subtotal WIA Cluster			<u>1,649,940</u>
Total U.S. Department of Labor			<u>\$ 1,761,983</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Gross Field Airport Imp. Progm-Runway Ext	20.106	03-06-0167-14	116,701
Subtotal Direct			<u>116,701</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u> (continued)			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	NMTPL-5927(051)	\$ 208,935
Highway Planning and Construction	20.205	NMTPL-5927(056)	163,655
Highway Planning and Construction	20.205	NMTPL-5927(058)	77,860
Highway Planning and Construction	20.205	NMPTL-5927(055)	41,169
Highway Planning and Construction	20.205	SRTSL-5927(061)	178,514
Highway Planning and Construction	20.205	NMPTL-5927(067)	379,808
Highway Planning and Construction	20.205	PLHL-5927(064)	55,870
Highway Planning and Construction	20.205	NMTPL-5927(057)	41,431
Highway Planning and Construction	20.205	NMTPL-5927(065)	29,180
Highway Planning and Construction	20.205	CML-5927(082)&(089)	14,959
Highway Planning and Construction	20.205	HRRL-5927(077)	38,857
Highway Planning and Construction	20.205	HSIP-5927(060)	6,304
Highway Planning and Construction	20.205	ER-4434-(005)	34,084
ARRA - Highway Planning and Construction	20.205	ESPL-5927(070)	1,272,590
ARRA - Highway Planning and Construction	20.205	ESPL-5927(068)	575,544
Subtotal CFDA Number 20.205			<u>3,118,760</u>
<u>U.S. Department of Transportation</u> (continued)			
Passed through California Emergency Management Agency:			
Hazardous Materials Emergency Preparedness Grant	20.703	041-00000	19,221
Subtotal Pass-Through			<u>19,221</u>
Total U.S. Department of Transportation			<u>\$ 3,254,682</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through California Department of Public Health:			
Beach Monitoring and Notification Program Grants	66.472	09-11375	9,758
Beach Monitoring and Notification Program Grants	66.472	10-95347	17,917
Marshall East Shore Phase II & Woodacre Flats	66.472	--	26,314
Total U.S. Environmental Protection Agency			<u>\$ 53,989</u>
<u>U.S. Department of Energy</u>			
Passed through Association of Bay Area Governments			
ARRA - Retrofit Bay Area State Energy Program	81.041	400-09-021	68,479
Subtotal Pass-Through			<u>68,479</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Energy (continued)</u>			
Passed through California Energy Commission			
ARRA - Marin County Energy Efficiency Projects (EECBG)	81.128	CBG-09-126	\$ 58,156
Subtotal Pass-Through			<u>58,156</u>
Total U.S. Department of Energy			<u>\$ 126,635</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Rehabilitation:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	--	64,571
Subtotal Pass-Through			<u>64,571</u>
Passed through State Department of Education:			
Safe and Drug Free Schools	84.186	--	201,953
IDEA	84.325	--	1,385,783
Subtotal Pass-Through			<u>1,587,736</u>
Total U.S. Department of Education			<u>\$ 1,652,307</u>
<u>U.S. Election Assistance Commission</u>			
Passed through California Secretary of State:			
Smart Voter Services	90.401	10S10050	78,600
Total U.S. Election Assistance Commission			<u>\$ 78,600</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through California Department of Aging:			
Title VII - Elder Abuse	93.041	AP0708-05	4,245
Title VII - Ombudsman	93.042	AP0708-05	27,714
Title IIID - Disease Prevention	93.043	AP0708-05	10,092
Title IIIB - Supportive Services	93.044	AP0708-05	300,120
Title IIIC - Congregate and Home Delivered Nutrition	93.045	AP0708-05	542,408
Title IIIE - Family Caregiver	93.052	AP0708-05	126,309
Nutrition Services Incentive Program	93.053	AP0708-05	52,960
Subtotal Pass-Through			<u>1,063,848</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Care Services:			
Emergency Preparedness - Lab	93.065	--	\$ 110,000
Public Health Emergency Preparedness Program	93.069	--	264,000
Tuberculosis Control Program	93.116	--	30,000
Child Lead Poisoning Prevention	93.197	--	56,725
Community Challenge Grant	93.217	--	156,318
Immunization Assistance Program	93.268	--	29,566
Public Health Preparedness - H1N1	93.283	--	32,000
Subtotal Pass-Through			<u>678,609</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	114,436
Subtotal Pass-Through			<u>114,436</u>
Temporary Assistance for Needy Families (TANF) State Programs	93.558	--	930,633
Temporary Assistance for Needy Families (TANF) State Programs	93.558	--	9,984,236
ARRA -Emergency Contingency Funds for Temporary Assistance for Needy Families (TANF) State Programs	93.714	--	6,618,711
Subtotal TANF Cluster			<u>17,533,580</u>
Child Support Enforcement	93.563	--	2,337,120
ARRA - Child Support Enforcement	93.563	1004CA4002	99,800
Subtotal CFDA Number 93.563			<u>2,436,920</u>
Refugee Cash Assistance	93.566	--	27,447
Subtotal Pass-Through			<u>27,447</u>
Voter Accessibility (ADA)	93.617	09G26126	4,878
Voter Accessibility (ADA)	93.617	08G26123	29,407
Subtotal CFDA Number 93.617			<u>34,285</u>
Child Welfare Services – State Grants	93.645	--	60,938
Children's Services	93.645	--	326,812
Subtotal CFDA Number 93.645			<u>387,750</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
CWS IV-E	93.658	--	\$ 1,413,036
Foster Care – Title IV-E	93.658	--	142,056
Foster Care	93.658	--	679,997
ARRA - Foster Care	93.658	--	36,818
SACWIS	93.658	--	14,249
Subtotal CFDA Number 93.658			<u>2,286,156</u>
Adoption Assistance Program	93.659	--	926,006
ARRA - Adoption Assistance Program	93.659	--	52,615
Subtotal CFDA Number 93.659			<u>978,621</u>
CWS - Title XX	93.667	--	77,330
Licensing	93.667	--	74,876
Subtotal CFDA Number 93.667			<u>152,206</u>
In-Home Support Services	93.778	--	1,036,118
ARRA - In-Home Support Services - Public Authority	93.778	--	142,990
Medical Assistance Program/MAA/TCM	93.778	--	3,077,238
Child Health Development and Prevention	93.778	--	389,769
Subtotal CFDA Number 93.778			<u>4,646,115</u>
Independent Living Program	93.674	--	87,364
Bioterrorism Hospital Preparedness Program	93.889	--	150,000
Maternal and Child Health Services	93.994	200721	462,960
Subtotal Pass-Through			<u>700,324</u>
Passed through City and County of San Francisco Department of Public Health:			
HIV Emergency Relief Formula Grant	93.914	--	808,558
Subtotal Pass-Through			<u>808,558</u>
Passed through the State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	73,755
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	--	551,597
Subtotal Pass-Through			<u>625,352</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	\$ 1,870,060
Federal Drug Medi-Cal	93.778	--	297,408
Subtotal Pass-Through			<u>2,167,468</u>
Total U.S. Department of Health and Human Services			<u>\$ 34,641,675</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Office of Homeland Security:			
Urban Areas Security Initiative	97.008	--	327,968
Homeland Security Grant	97.008	--	128,407
Interoperable Emergency Communication Grant	97.008	--	60,580
Interoperable Emergency Communication Grant	97.008	--	274,726
Subtotal CFDA Number 97.008			<u>791,681</u>
Homeland Security Grant	97.073	--	250,118
Homeland Security Grant	97.073	--	270,143
Homeland Security Grant	97.073	--	340,129
Subtotal CFDA Number 97.073			<u>860,390</u>
Passed through California Emergency Management Agency:			
Emergency Management Performance Grant	97.042	--	169,660
Subtotal Pass-Through			<u>169,660</u>
Total U.S. Department of Homeland Security			<u>\$ 1,821,731</u>
Total Expenditures of Federal Awards			<u><u>\$ 66,085,449</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Marin, except for those activities of the *Housing Authority of the County of Marin* and the *Marin County Transit District*. The County of Marin's reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. The *Housing Authority of the County of Marin* and the *Marin County Transit District* are component units of the County. Separate reports have been issued for the *Housing Authority of the County of Marin* and the *Marin County Transit District* by other auditors.

The expenditures incurred under federal award programs audited by other auditors are as follows:

<u>Entity</u>	<u>Federal Expenditures</u>
Housing Authority of the County of Marin	\$ 34,395,429
Marin County Transit District	902,606

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting and the accrual basis of accounting for program expenditures accounted for in governmental funds and proprietary funds, respectively, as described in Note 1 of the County's basic financial statements.

Note 3: **Relationship to Basic Financial Statements**

Federal award expenditures agree or can be reconciled with the amounts reported in the County's basic financial statements.

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 4: **Program Clusters**

The following programs are considered to be clusters of programs as defined by OMB Circular A-133.

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>CDBG – Entitlement Grants Cluster:</u>		
14.218	Community Development Block Grants/Entitlement Grants	\$ 42,489
14.218	Community Development Block Grants/Entitlement Grants	55,945
14.218	Community Development Block Grants/Entitlement Grants	119,209
14.218	Community Development Block Grants/Entitlement Grants	135,634
14.218	Community Development Block Grants/Entitlement Grants	337,317
14.218	Community Development Block Grants/Entitlement Grants	1,033,238
14.253	Community Development Block Grant ARRA Entitlement Grants (CDBG-R) – (Recovery Act Funded)	245,400
14.218	Community Development Block Grants/Entitlement Grants – Outstanding Loan Balance	3,504,506
	TOTAL	\$ 5,473,738
<u>WIA Cluster:</u>		
17.258	WIA – Title I Adult Formula	\$ 357,724
17.259	WIA – Title I Youth Formula	250,060
17.259	ARRA – WIA Title I Youth Formula	52,356
17.260	WIA – Title I Dislocated Workers	448,743
17.260	ARRA – WIA Title I Dislocated Workers	218,382
17.260	WIA – Rapid Response	78,905
17.260	ARRA – WIA – Rapid Response	243,770
	TOTAL	\$ 1,649,940
<u>Aging Cluster:</u>		
93.044	Title IIIB – Supportive Services	\$ 300,120
93.045	Title IIIC – Congregate and Home Delivered Nutrition	542,408
93.053	Nutrition Services Incentive Program	52,960
	TOTAL	\$ 895,488
<u>TANF Cluster:</u>		
93.558	Temporary Assistance for Needy Families (TANF) State Programs	\$ 930,633
93.558	Temporary Assistance for Needy Families (TANF) State Programs	9,984,236
93.714	ARRA – Emergency Contingency Funds for Temporary Assistance for Needy Families (TANF) State Programs	6,618,711
	TOTAL	\$ 17,533,580

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 5: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to programs as follows:

CFDA Number	Federal Program Title	Program Expenditures
14.218	Community Development Block Grant Program	\$ 1,387,299
14.239	HOME Investment Partnerships Program	967,908
14.241	Housing Opportunities for Persons with AIDS Program	318,836
14.253	Community Development Block Grant-Recovery Program (CDBG-R) (ARRA)	217,459
15.000	GGNRA West Marin Emergency Svcs	90,915
16.575	Child Abuse Treatment Program	130,984
16.588	Violence Against Women	119,423
16.590	Violence Against Women Formula Grants	154,149
17.235	Title V - Senior Community Service Employment Program	112,043
90.401	HAVA/League of Women Voters Pass thru	78,100
93.044	Title IIIB - Supportive Services	300,120
93.045	Title IIIC Congregate and Home Delivered Nutrition	542,408
93.052	Title IIIE - Family Caregiver	126,309
97.073	Department of Homeland Security SHS09	270,143
	TOTAL	<u>\$ 4,816,096</u>

Note 6: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 7: **Department of Aging Federal/State Share**

The California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

Federal Grantor Pass Through Grantor Program Title	CFDA Number	Grant/ Contract Number	Expenditures	
			State	Federal
US Department of Agriculture				
<i>Passed through Department of Aging</i>				
Senior Farmers Market	10.576		\$ --	\$ 10,000
US Department of Labor				
<i>Passed through Department of Aging</i>				
Senior Community Service Employment Program	17.235		--	112,043
US Department of Health and Human Services				
<i>Passed through Department of Aging</i>				
Title VII Elder Abuse	93.041		--	4,245
Title VII Ombudsman	93.042		--	27,714
Title III D Disease Prevention	93.043		--	10,092
Title III B Supportive Services	93.044		--	300,120
Title III C Congregate and Home Delivered Nutrition	93.045		47,949	542,408
Title III E Family Caregiver Nutrition Services Program	93.052		--	126,309
Nutrition Services Program	93.053		--	52,960
Long-Term Care Ombudsman Program (OVRI)	--		25,941	--
			<u>\$ 73,890</u>	<u>\$ 1,185,891</u>

COUNTY OF MARIN

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 8: **Loans Outstanding**

The following program had federally-funded loans outstanding at June 30, 2011:

Federal CFDA#	Program Title	Amounts Outstanding	
		July 1, 2010	June 30, 2011
14.218	Community Development Block Grants/ Entitlement Grants	\$ 3,504,506	\$ 3,629,506
14.239	HOME Investment Partnerships Program	8,771,167	8,771,167
14.241	Housing Opportunities for Persons with AIDS (HOPWA)	470,000	470,000
		<u>\$ 12,745,673</u>	<u>\$ 12,870,673</u>

COUNTY OF MARIN

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

14.239	HOME Investment Partnerships Program
20.205	Highway Planning and Construction
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance Program
93.778	Medical Assistance Program

CDBG – Entitlement Grants Cluster

14.218	Community Development Block Grants/ Entitlement Grants
14.253	Community Development Block Grant ARRA Entitlement Grants (CDBG-R) - (Recovery Act Funded)

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

Section 1 (continued)

Federal Awards (continued)

4. Identification of major programs: (continued)

CFDA Number

Name of Federal Program

WIA Cluster

17.258

Work Investment Act Adult Program

17.259

Work Investment Act Youth Activities

17.260

Work Investment Act Dislocated Workers

TANF Cluster

93.558

Temporary Assistance for Needy Families

93.714

ARRA – Emergency Contingency Funds for
Temporary Assistance for Needy Families
(TANF) State Programs

5. Dollar Threshold used to distinguish between Type A and Type B programs:

\$1,982,563

6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?

No

Section 2

Financial Statement Findings

None

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.659

Finding 11-SA-1

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

Section 3 – Federal Award Findings and Questioned Costs - continued

Reference Number	11-SA-1
Federal Program Title	Adoption Assistance ARRA – Adoption Assistance
CFDA Number (s)	93.659
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Entity	California Department of Social Services
Compliance Requirement	Eligibility

Criteria:

Federal Adoption Assistance cannot be paid unless federal eligibility is present. Generally, for federal eligibility, a child must be within specified income categories, be a child with certain “special needs,” be unable to be adopted without Adoption Assistance, and have the adoption assistance agreement in place before the adoption decree is entered. Title 22 California Code of Regulations §35331(a) requires that the determination of the child's eligibility for adoption assistance be documented in the case record on the Eligibility Certification - Adoption Assistance Program form (the AAP-4). Previous to the use of the AAP-4, a form F9 was used to document a child’s eligibility for Adoption Assistance.

Condition:

During performance of testing over eligibility requirements for the Adoptions Assistance Program, 40 active cases were reviewed and it was noted that two cases that were not eligible to receive federal assistance were paid with federal funds.

Effect:

By not reviewing the information that was input into the case management system from the eligibility determination forms, the County has not fully adhered to internal policies. In addition, the County submitted claims in excess of allowable costs by claiming reimbursements for ineligible participants.

Questioned Costs:

One case had 12 benefit payments at \$633 each which equals \$7,596 and the other case had 12 benefit payments at \$719 each which equals \$8,628. That brings the total questioned costs to \$16,224.

COUNTY OF MARIN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

Section 3 – Federal Award Findings and Questioned Costs - continued

Reference Number 11-SA-1

Recommendation:

We recommend that the County instruct its eligibility staff to make sure a properly-executed AAP-4 is contained in the case file before approving federal Adoption Assistance. When any case is identified which does not have an AAP-4, we recommend that a supervisor review the case file to make sure that the aid code for the case is correct.

Corrective Action Plan:

The errors were due to the miscoding of two cases. The incorrectly coded cases came from the old eligibility system, Statewide Automated Welfare System (SAWS). The SAWS was later replaced with Consortium IV System (C-IV) effective April 1, 2010. The SAWS had a manual and paper intensive review process, which exposed the data input process to human errors.

The aid code for the two cases mentioned above had been corrected and the amounts were excluded from the Schedule of Expenditures of Federal Awards (SEFA) for the year ended June 30, 2011, and subsequent claims were adjusted accordingly.

The Department of Health and Human Services (H&HS) instructed eligibility staff and supervisors to make sure that a properly executed AAP-4 form is contained in the case file before approving federal adoption assistance. In using the new State eligibility system (C-IV), a scanned AAP-4 form is required to be attached on-line before the eligibility process can move forward, which removes the manual process that was previously subject to potential human error. H&HS also reviewed all adoption cases files transferred from ISAWS to C-IV to ensure that all adoption cases transferred from the old system are eligible for federal adoption assistance.

Furthermore, the Department of Finance-Internal Audit Division will review adoption cases to ensure that all adoption cases are eligible for federal adoption assistance.

The contact persons for this corrective action plan are 1) Chief Fiscal Officer – H&HS, and the Audit Manager – Department of Finance. The telephone numbers are - 415-473-6843 and 415-473-6925 respectively.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number 10-FS-1
Reporting Requirement SEFA Preparation

Criteria:

OMB Circular A-133 § 310(b) provides that auditees undergoing a federal single audit prepare a Schedule of Expenditures of Federal Awards (SEFA) listing individual programs by federal agency and Catalog of Federal Domestic Assistance (CFDA) number.

The County must have proper internal controls over financial reporting in place. Proper internal controls over financial reporting include, but are not limited to, internal controls that identify misstatements in the SEFA, retaining staff competent in SEFA reporting and related oversight roles, and adequate design of internal control over the preparation of the SEFA. Good internal controls and Circular A-133 require the County to do a reconciliation between the expenditures reported on the general ledger and the federal expenditures reported on the SEFA.

Condition:

During our testing of the amounts reported on the SEFA and related reconciliations we found the following programs overstated the amounts originally reported on the SEFA.

20.205 – Highway Planning and Construction	\$ 4,709,110
93.558 – Temporary Assistance for Needy Families	<u>2,513,712</u>
Total	<u>\$ 7,222,822</u>

Cause:

Highway Planning and Construction was overstated due to the County reporting 100% of project expenditures as federal for grant STPLEE-5927(038) when just over 50% were actually federal expenditures.

Temporary Assistance for Needy Families (TANF) was overstated due to the County reporting 97.5% of the TANF assistance payments as federal. However, per an information notice from the California Department of Social Services the federal percentage to use for TANF assistance payments during fiscal year 2009-10 is 57.4%.

Effect of Condition:

Reporting incorrect amounts on the SEFA can result in grantors requiring the SEFA to be reissued. This can also cause the auditor to incorrectly determine major programs for the year which may result in additional programs being audited and additional audit fees.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number 10-FS-1 (continued)

Recommendation:

We recommend that all County personnel involved in the SEFA reporting process carefully review Section 205 – Basis for determining Federal awards expended in OMB A-133 prior to reporting federal expenditures for each year. We also recommend that grant agreements and other letters from grantors be reviewed to determine what percent of allowable costs are considered federal for each grant or program.

Management's Response:

Highway Planning and Construction – The Department of Public Works submits information to the Department of Finance (DOF) based on SAP reports. We reported the amounts supported by SAP, however the SAP supporting documents do not allocate between Federal and State funding. Allocations are found in the claims to the State. In the future, DPW will ensure that documents submitted to the DOF for SEFA, only include federal funds.

Temporary Assistance for Needy Families – The amount on the SEFA report was taken from the template provided by the State for our Assistance claims. The State report combines the Federal/State share of TANF (97.5%) and that was what we reported on the SEFA report. During the course of the audit, it was pointed out that there is a letter issued by the State that provides a revised allocation of the Federal and State dollars associated with TANF. We were not aware that this letter existed, the department did not receive a copy from the State. The TANF program has been in effect since July 1997, and our department has never seen this letter issued by the State. HHS has contacted the State Department of Social Services to insure that the letter is sent directly to Health and Human Services Office of Finance in the future and use the Federal/State sharing estimated provided in this letter to calculate the reported expenditures on the SEFA.

Status:

The Department of Public Works submitted information to be included in the SEFA that reflected federal expenditures only. Issue deemed resolved.

The Department of Health and Human Services calculated the federal share of expenditures following the guidelines provided by the California Department of Social Services. Issue deemed resolved.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number	10-SA-1
Federal Program Title	Community Development Block Grants/Entitlement Grant ARRA Community Development Block Grants/Entitlement Grant
CFDA Number (s)	14.218 and 14.253
Federal Agency	U.S. Department of Housing an Urban Development
Pass-Through Entity	Direct Program
Compliance Requirement	Allowable Cost/Activities

Criteria

Direct payroll charges to federal grants for employee time spent on grant functions must be supported with the documentation required by OMB Circular A-87. Where the applicable employees worked on an allowable grant activity as well as non-grant related activities and/or activities related to other grants, required documentation consists of reports signed by each employee accounting for the total number of hours worked and showing an actual distribution of those hours to grant and non-grant functions. These reports must be prepared at least monthly and should coincide with one or more pay periods. Substitute methods may be used, but only if such methods have been approved by the Federal agency overseeing the grant (2 CFR 225, Appendix B § (8)(h)).

Individuals working on only one federal program can sign a statement every six months that they worked only on that program in lieu of preparing personnel activity reports.

Condition

We found that there were two employees who charged time to the CDBG program who also worked on other programs throughout the year. Both employees maintained time records to track hours spent on each program, but only one employee signed and had the supervisor sign the time record. The other employee's time records were not signed or approved by a supervisor.

We also found that there was another employee who charged 100% of their time to CDBG but there were no signed statements to document that all time was in fact spent on the CDBG program.

Questioned Costs

Although the time records kept were deficient according to the standards established by OMB Circular A-87, we do not question costs because documentation was available to substantiate the work performed on the grant.

Effect of Condition

If reports are not signed and reviewed or otherwise verifiably authorized by employees and supervisors, the time records could be modified without the employees' approval, resulting in incorrect payroll charges to federal awards.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number 10-SA-1 (continued)

Recommendation:

We recommend that department employees who perform any work on grant functions periodically print and sign the excel spreadsheets they currently keep electronically, and that they also ensure that spreadsheets account for total personnel time spent for the period. Spreadsheets could be routinely signed at the same time as the preparation of timecards for the payroll process.

Corrective Action Plan

Two employees split their time among several federally-funded programs. For each pay period, they will prepare a standard SAP timesheet and a supplement which will list the number of hours spent each day working on each federal program. Both pages will be signed by the employee, reviewed by the employee's supervisor, and signed by the employee's supervisor.

For pay periods when employees spend all their time on the Community Development Block Grant Program, they will write on their timesheet, "All work hours were spent on the CDBG Program." The timesheet will be signed by the employee, reviewed by the employee's supervisor, and signed by the employee's supervisor. For any pay periods when employees work on more than one federally-funded program, they will follow the timesheet procedure outlined above.

The contact person for this corrective action plan is the Community Development Coordinator. The telephone number is 415-499-6698.

Status

Direct payroll charges made during the current year audit were supported by functional timesheets signed by the employee and supervisor as required. Issue deemed resolved.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number	10-SA-2
Federal Program Title	Highway Planning and Construction ARRA – Highway Planning and Construction
CFDA Number (s)	20.205
Federal Agency	U.S. Department of Transportation
Pass-Through Entity	California Department of Transportation
Compliance Requirement	Procurement, Suspension and Debarment

Criteria

When engaging in any federally-funded transaction which equals or exceeds \$25,000 with a vendor or a transaction in any amount with a subrecipient, the non-federal entity is obligated to determine if the other party is suspended or debarred. As well, the debarment rules provide that this requirement must be imposed on, and relevant information must be provided to, all subrecipients of federal funds. OMB A-133 Compliance Supplement, Part 3, §I – Procurement, Suspension and Debarment. Also see Federal Register 68FR66583–66632.

Condition

We tested transactions where a service provider was paid in excess of \$25,000 during the fiscal year and noted that suspension and debarment was not checked for the transactions tested. However, we do note that the County checked for suspension and debarment shortly after the audit occurred and determined that no transaction tested was with a suspended or debarred entity or person.

Questioned Costs

No costs are questioned. As mentioned above, the epls.gov website was checked and no vendor in the sample was suspended or debarred.

Perspective

It appears that the department properly checked for suspension and debarment on all construction contractors but that they did not do so for engineers.

Effect of Condition

The federal government can reject a claim for reimbursement of federal funds when the transaction is with a suspended or debarred individual or entity.

Recommendation

We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at <<http://www.epls.gov>>.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number 10-SA-2 (continued)

Corrective Action Plan

The Marin County Public Works department will implement a new process by including non-debarment certification on all construction and professional services contracts.

The contact person for this corrective action plan is the Deputy Director - Public Works. The telephone number is 415-499-3725.

Status

Supporting documentation maintained for federally-funded transactions equal to or greater than \$25,000 included a review of the Excluded Parties List System to ensure that contractor was not suspended or debarred. Issue deemed resolved.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number	10-SA-3
Federal Program Title	Medical Assistance Program ARRA – Medical Assistance Program Temporary Assistance for Needy Families ARRA – CALWORKS - ECF
CFDA Number (s)	93.778, 93.558 and 93.714
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Entity	State Department of Social Services, Health Care Service and Alcohol and Drug Abuse Programs
Compliance Requirement	Allowable Costs/Activities

Criteria

When engaging in any federally-funded transaction which equals or exceeds \$25,000 with a vendor or a transaction in any amount with a subrecipient, the non-federal entity is obligated to determine if the other party is suspended or debarred. As well, the debarment rules provide that this requirement must be imposed on, and relevant information must be provided to, all subrecipients of federal funds. OMB A-133 Compliance Supplement, Part 3, §I – Procurement, Suspension and Debarment. Also see Federal Register 68FR66583–66632.

Condition

We tested all payments to vendors over \$25,000 and found that the County had not properly determined whether the vendor was suspended or debarred for any vendors tested.

Questioned Costs

No costs are questioned. Using epls.gov we determined that none of the vendors were suspended or debarred.

Perspective

Thirteen payments were made to 10 vendors for which the County should have checked for suspension or debarment. As stated in the condition, this was done for none of these vendors.

Effect of Condition

The federal government can reject a claim for reimbursement of federal funds when the transaction is with a suspended or debarred individual or entity.

Recommendation

We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at <<http://www.epls.gov>>.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

Reference Number 10-SA-3 (continued)

Corrective Action Plan

The Health and Human Services department will insure debarment certificates are obtained for existing contracts as required and attach to the Purchase Order document in SAP. The Department is also currently working on revising the contract template to include this requirement on future contracts. Going forward, staff are being trained to check the Excluded Parties List system (EPLS) and print out the validation that the entity is not on this list.

The contact person for this corrective action plan is the Chief Fiscal Officer – Health and Human Services. The telephone number is 415-499-6843.

Status

Department's updated contract template includes a Contractor's Debarment Certification. Issue deemed resolved.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Reference Number	10-SA-4
Federal Program Title	Medical Assistance Program ARRA – Medical Assistance Program Temporary Assistance for Needy Families ARRA – CALWORKS – ECF Workforce Investment Act ARRA – Workforce Investment Act
CFDA Number (s)	93.778, 93.558, 93.714, 17.258, 17.259, and 17.260
Federal Agency	U.S. Department of Health and Human Services and U.S. Department of Labor
Pass-Through Entity	State Department of Social Services
Compliance Requirement	Allowable Costs/Activities

Criteria

Direct payroll charges to federal grants for employee time spent on grant functions must be supported with the documentation required by OMB Circular A-87. Where the applicable employees worked on an allowable grant activity as well as non-grant related activities and/or activities related to other grants, required documentation consists of reports signed by each employee accounting for the total number of hours worked and showing an actual distribution of those hours to grant and non-grant functions. These reports must be prepared at least monthly and should coincide with one or more pay periods. Substitute methods may be used, but only if such methods have been approved by the Federal agency overseeing the grant (2 CFR 225, Appendix B § (8)(h)).

Condition

We tested 40 timestudies which included tracing the hours on the timestudy to the hours input into the County Expense Claim (CEC). We found that the hours on the timestudy did not match the hours on the CEC for 3 of the timestudies tested.

Questioned Costs

No costs are questioned. These errors only affect the allocation of costs to the various programs claimed through the CEC.

Perspective

One of the exceptions was a clerical error in which 16 hours were charged to CWS training but should have been charged to Preserving Safe and Stable Families.

The other two exceptions were related to the different Workforce Investment Act programs. The hours in total matched but the allocation of hours did not. It appears that these differences were to correct the hours as a result of reviews done by the department. However, the department did not obtain corrected timestudies to properly document the changes.

COUNTY OF MARIN

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011

Effect of Condition

When the hours input into the CEC do not match timestudies it results in some programs being charged more than allowed and others less.

Recommendation

We recommend that the Department obtain signed and corrected timestudies for any changes that they make in hours as a result of their reviews.

Corrective Action Plan

In May of 2009 the fiscal office changed the system in which staff completes their time study. We changed from a paper process to an electronic process. The change was quite extreme. A total review of all staff reported time took place to ensure that time was being recorded in the proper cost pool. This review was done by a consultant and the Assistant CFO. Identifying staff and cost pools ensures that they are being claimed to the proper funding source on the County Expense Claim (CEC). Upon review when the month was complete a few errors were identified. This resulted in requiring a correction to the reported time. The time studies were corrected but new signed time studies were never received from staff. Fiscal staff is aware that a time study is a legal document and affects claiming on the County Expense claim and has been advised that a new signed time sheet needs to be collected if corrections are made. Since May additional training has taken place for fiscal and field staff to ensure everyone is aware of the new process.

The contact person for this corrective action plan is the Chief Fiscal Officer – Health and Human Services. The telephone number is 415-499-6843.

Status

Time studies selected for review during the course of our audit were signed as required and amounts agreed to amounts reported on the County's expense claim. Issue deemed resolved.

**SUPPLEMENTARY SCHEDULES
OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY
AND
THE DEPARTMENT OF CORRECTIONS
AND REHABILITATION PROGRAMS
GRANT EXPENDITURES**

COUNTY OF MARIN

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2011

California Emergency Management Agency Grants

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2011. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2010	For the Year Ended June 30, 2011	Cumulative As of June 30, 2011	Federal Share	State Share	County Share
<u>VW 10290210 - Victim Witness Assistance</u>						
Personal services	\$ --	\$ 185,471	\$ 185,471	\$ 95,949	\$ 89,522	\$ --
Operating expenses	--	69,954	69,954	60,145	9,809	--
Equipment	--	18,750	18,750	18,750	--	--
Totals	<u>\$ --</u>	<u>\$ 274,175</u>	<u>\$ 274,175</u>	<u>\$ 174,844</u>	<u>\$ 99,331</u>	<u>\$ --</u>
<u>VP 09010210 - Vertical Prosecution</u>						
Personal services	\$ 338,800	\$ 60,101	\$ 398,901	\$ 45,074	\$ --	\$ 15,027
Operating expenses	1,088	11	1,099	11	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 339,888</u>	<u>\$ 60,112</u>	<u>\$ 400,000</u>	<u>\$ 45,085</u>	<u>\$ --</u>	<u>\$ 15,027</u>
<u>AT 09060210 - Child Abuse Treatment</u>						
Personal services	\$ 10,407	\$ 3,913	\$ 14,320	\$ 3,913	\$ --	\$ --
Operating expenses	97,383	42,284	139,667	42,284	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 107,790</u>	<u>\$ 46,197</u>	<u>\$ 153,987</u>	<u>\$ 46,197</u>	<u>\$ --</u>	<u>\$ --</u>
<u>AT 100702100 - Child Abuse Treatment</u>						
Personal services	\$ --	\$ 7,177	\$ 7,177	\$ 7,177	\$ --	\$ --
Operating expenses	--	89,378	89,378	89,378	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 96,555</u>	<u>\$ 96,555</u>	<u>\$ 96,555</u>	<u>\$ --</u>	<u>\$ --</u>
<u>UV10010210 - Underserved Victim Advocacy & Outreach Program</u>						
Personal services	\$ --	\$ 8,718	\$ 8,718	\$ 1,186	\$ --	\$ 7,532
Operating expenses	--	31,107	31,107	30,674	--	433
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 39,825</u>	<u>\$ 39,825</u>	<u>\$ 31,860</u>	<u>\$ --</u>	<u>\$ 7,965</u>

COUNTY OF MARIN

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2011

California Emergency Management Agency Grants (continued)

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2011. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2010	For the Year Ended June 30, 2011	Cumulative As of June 30, 2011	Federal Share	State Share	County Share
<u>VB 08060210 - Vertical Prosecution Program</u>						
Personal services	\$ 77,487	\$ 26,535	\$ 104,022	\$ --	\$ 26,535	\$ --
Operating expenses	8,422	252	8,674	--	252	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 85,909</u>	<u>\$ 26,787</u>	<u>\$ 112,696</u>	<u>\$ --</u>	<u>\$ 26,787</u>	<u>\$ --</u>
<u>ZP 090010210 - EBPS Recovery Act</u>						
Personal services	\$ 3,319	\$ 94,424	\$ 97,743	\$ 94,424	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 3,319</u>	<u>\$ 94,424</u>	<u>\$ 97,743</u>	<u>\$ 94,424</u>	<u>\$ --</u>	<u>\$ --</u>

COUNTY OF MARIN

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grants Expenditures
For the Year Ended June 30, 2011

California Department of Corrections and Rehabilitation Grants

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2011. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2010	For the Year Ended June 30, 2011	Cumulative As of June 30, 2011	Federal Share	State Share	County Share
<u>CSA 129-10 - Juvenile Accountability Incentive Block Grant</u>						
Personal services	\$ 15,606	\$ 17,940	\$ 33,546	\$ 17,940	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 15,606</u>	<u>\$ 17,940</u>	<u>\$ 33,546</u>	<u>\$ 17,940</u>	<u>\$ --</u>	<u>\$ --</u>
<u>CSA 129-09AMYVPT - Juvenile Accountability Incentive Block Grant-AMYVPT</u>						
Personal services	\$ 9,814	\$ 1,442	\$ 11,256	\$ 1,442	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 9,814</u>	<u>\$ 1,442</u>	<u>\$ 11,256</u>	<u>\$ 1,442</u>	<u>\$ --</u>	<u>\$ --</u>
<u>CSA 359-09 - Enhanced DMC - Technical Assistance Program II</u>						
Personal services	\$ 41,556	\$ 83,444	\$ 125,000	\$ 83,444	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 41,556</u>	<u>\$ 83,444</u>	<u>\$ 125,000</u>	<u>\$ 83,444</u>	<u>\$ --</u>	<u>\$ --</u>
<u>DC09 11 0210 Coordination of Probation Enforcement</u>						
Personal services	\$ 381,699	\$ 173,818	\$ 555,517	\$ 173,818	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 381,699</u>	<u>\$ 173,818</u>	<u>\$ 555,517</u>	<u>\$ 173,818</u>	<u>\$ --</u>	<u>\$ --</u>